

Message Text

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INFO OCT-01 AF-10 ARA-06 EUR-12 EA-07 NEA-10 ISO-00
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E.O. 11652: N/A

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TAGS: AORG, EAGR, IFAD, UN

SUBJECT: IFAD/UN RELATIONSHIP AGREEMENT

1. THE CURRENT SESSION OF ECOSOC IS REVIEWING A PROPOSED
DRAFT RELATIONSHIP AGREEMENT BETWEEN THE INTERNATIONAL
FUND FOR AGRICULTURAL DEVELOPMENT AND THE UNITED NATIONS.
INFORMAL DISCUSSIONS WITHIN THE ECOSOC NEGOTIATING
COMMITTEE ARE ALREADY UNDER WAY. FORMAL IFAD/ECOSOC
DISCUSSIONS BEGIN APRIL 25. IF ADOPTED BY BOTH SIDES,

IFAD WOULD BECOME A SPECIALIZED AGENCY OF THE UNITED NATIONS. THERE REPORTEDLY IS PRESSURE IN NEW YORK FROM THE G-77, DUTCH AND NORDIC NEW YORK REPRESENTATIVES TO SEEK SIGNIFICANT REVISIONS TO THE PROPOSED AGREEMENT. WE BELIEVE PART OF THIS IS DUE TO UNFAMILIARITY IN NEW YORK WITH THE DETAILED DISCUSSIONS THAT HAVE TAKEN PLACE IN ROME OVER THE PAST TWO YEARS. DRAWING ON INFORMATION BELOW, ACTION ADDRESSES ARE REQUESTED TO IMMEDIATELY SEEK THE SUPPORT OF HOST COUNTRIES, WHO CONSTITUTE ECOSOC NEGOTIATING COMMITTEE, IN ORDER TO HEAD OFF SUBSTANTIVE CHANGES.

2. CURRENTLY THERE ARE 14 SPECIALIZED AGENCIES INCLUDING SUCH MAJOR ONES AS FAO, WHO, IBRD, AND IMF. THE AGENCIES' AGREEMENTS WITH THE UN ARE NOT UNIFORM AND THE

RELATIONSHIPS VARY FROM CLOSELY TIED TO UNGA DECISION MAKING (AS IN THE CASE OF WIPO) TO SIGNIFICANT AUTONOMY. SPECIFICALLY, THE AGREEMENTS WITH IBRD AND IMF (THE ONLY FINANCIAL INSTITUTIONS WHICH ARE SPECIALIZED AGENCIES) GRANT THEM CONSIDERABLE AUTONOMY CONCERNING RECOGNITION, RECOMMENDATIONS BY THE UN, BUDGETARY AND PERSONNEL ARRANGEMENTS AND UN REPRESENTATION. THE IFAD AGREEMENT PROPOSES A SIMILAR RELATIONSHIP.

3. THE PROPOSED DRAFT AGREEMENT

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IS THE PRODUCT OF LONG AND DIFFICULT DEBATE SPANNING A PERIOD OF MONTHS. IT IS KEYED CLOSELY TO THE IFAD ARTICLES OF AGREEMENT, WHICH THEMSELVES WERE CAREFULLY NEGOTIATED AND ACCEPTED BY CONSENSUS AT A JUNE 1976 MINISTERIAL LEVEL NEGOTIATING CONFERENCE. THE IFAD PREPCOM MEETING JUST COMPLETED (APRIL 7) HAS PREPARED AN EXPLANATORY NOTE TO THE ECOSOC (PARA 9 BELOW) WHICH ALSO REFLECTS CONSIDERABLE COMPROMISE AMONG GOVERNMENTS INVOLVED.

4. BUT FOR ECUADOR, ALL ACTION POSTS' HOST GOVERNMENTS PARTICIPATED IN THE IFAD MEETING AND AGREED TO THE TEXT NEGOTIATED IN ROME. IN DRAFTING THE NOTE, THE PREPCOM SOUGHT TO REFLECT FULLY THE UN'S CHARTER MANDATE TO COORDINATE GLOBAL DEVELOPMENT EFFORTS WHILE RETAINING FOR IFAD SUFFICIENT AUTONOMY TO MEET THE REQUIREMENTS SET FORTH IN ITS ARTICLES OF AGREEMENT.

5. CLEARLY THE IFAD ARTICLES ASSUME THE FUND WILL SEEK SPECIALIZED AGENCY STATUS AND IT WOULD BE PREFERABLE IF THE RELATIONSHIP AGREEMENT WAS READY FOR ACCEPTANCE BY THE FIRST IFAD GOVERNING COUNCIL MEETING. THIS COULD TAKE PLACE AS EARLY AS THIS FALL.

6. IFAD IS AN ATTEMPT TO FORGE A NEW MANNER OF INTERNATIONAL FINANCIAL INSTITUTION. HOWEVER, IN ITS OPERATIONS IFAD IS TO BE A FINANCIAL LENDING INSTITUTION WITH OPERATIONS CLEARLY AKIN TO THE LENDING FUNCTIONS OF THE IBRD. TO DATE INTERESTED GOVERNMENTS HAVE BEEN ABLE TO AGREE ON COMPROMISES WHICH REFLECT THE DELICATE BALANCE OF INTERESTS AND OBJECTIVES AMONG DONORS AND RECIPIENTS. WE FEEL IT IMPORTANT FOR IFAD TO COME QUICKLY INTO OPERATION AND BELIEVE THE PROPOSED DRAFT RELATIONSHIP AGREEMENT WITH ECOSOC REFLECTS THE KIND OF RELATIONSHIP WHICH WILL ALLOW IFAD TO BE A PRODUCTIVE MEMBER OF THE UN SYSTEM AND A POSITIVE INNOVATIVE FORCE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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IN PROMOTING SPEEDY AGRICULTURAL DEVELOPMENT FOR THE WORLD'S POOREST MEMBERS.

7. WE HOPE THE GOVERNMENTS WILL INSTRUCT THEIR NEW YORK DELEGATIONS NOT TO UNRAVEL WHAT WE HAVE WORKED ON TOGETHER OVER A PERIOD OF ALMOST TWO YEARS. COMMENTS BASED ON THIS DEMARCHE ARE REQUESTED AS SOON AS POSSIBLE WITH COPIES TO USUN NEW YORK.

8. FOR THE HAGUE, STOCKHOLM, BONN, ROME. REPRESENTATIVES FROM YOUR CAPITALS (LISTED BELOW) PLAYED AN IMPORTANT ROLE IN MANY OF THE DISCUSSIONS AND AGREEMENTS MADE IN ROME. YOU SHOULD ENSURE THEY ARE AWARE OF THIS DEMARCHE.

THE HAGUE - H. J. DU MARCHIE SARVASS, DIRECTORATE OF FINANCIAL/ECONOMIC DEVELOPMENT, MFA

STOCKHOLM - LENNART KLACKENBERG, MFA

BONN - CHRISTIAN WILL, MINISTRY OF ECONOMIC COOPERATION

ROME - AMBASSADOR BORIN.

9. YOU MAY WISH TO CONVEY TO THE HOST GOVERNMENT THE TEXT OF IFAD'S EXPLANATORY NOTE QUOTED BELOW:

BEGIN TEXT

1. THE GENERAL ASSEMBLY, BY ITS RESOLUTION 3503 (XXX) OF DECEMBER 1975, REQUESTED THE ECONOMIC AND SOCIAL COUNCIL TO ARRANGE, WITH THE PREPARATORY COMMISSION FOR THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, THE NEGOTIATION OF AN AGREEMENT WITH THE FUND. THE ECOSOC, BY ITS RESOLUTION 2006 (LX), INVITED THE PREPARATORY COMMISSION "TO PREPARE AND SUBMIT TO THE COMMITTEE ON NEGOTIATIONS WITH INTERGOVERNMENTAL AGENCIES PROPOSALS FOR BRINGING THE FUND INTO RELATIONSHIP WITH THE UNITED

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NATIONS, TAKING INTO ACCOUNT THE AGREEMENTS PREVIOUSLY
CONCLUDED BETWEEN THE UNITED NATIONS AND THE SPECIALIZED
AGENCIES".

2. IN RESPONSE TO THESE TWO RESOLUTIONS AND IN DISCHARGE
OF THE MANDATE ENTRUSTED IN PARAGRAPH C.3(A) OF ITS
STATUTE, THE PREPARATORY COMMISSION HAS PREPARED A DRAFT
RELATIONSHIP AGREEMENT BETWEEN THE UNITED NATIONS AND
THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT. IN
ITS RESOLUTION 8(II), ADOPTED AT ITS SECOND SESSION HELD
IN DECEMBER 1976, THE COMMISSION AUTHORIZED ITS CHAIRMAN
TO TRANSMIT THE DRAFT AGREEMENT TO THE SECRETARY-GENERAL
OF THE UNITED NATIONS FOR SUBMISSION TO THE COMMITTEE ON
NEGOTIATIONS WITH INTERGOVERNMENTAL AGENCIES (E/5908).
ANY RELATIONSHIP AGREEMENT THAT THE COMMISSION NEGOTIATES
WITH THE COMMITTEE ON NEGOTIATIONS WILL REQUIRE THE
APPROVAL OF THE GOVERNING COUNCIL OF THE FUND UPON THE
RECOMMENDATION OF THE EXECUTIVE BOARD OF THE FUND.

3. THE COMMISSION'S MAIN CONCERN IN FORMULATING THE DRAFT
RELATIONSHIP AGREEMENT HAS BEEN TO PROTECT THE PARAMETERS
PRESCRIBED BY THE FUND AGREEMENT AND AT THE SAME TIME TO
WORK OUT A BALANCED AND HARMONIOUS RELATIONSHIP BETWEEN
THE TWO ORGANIZATIONS. THE DRAFT RELATIONSHIP AGREEMENT
FULLY ENDORSES THE POLICIES EMBODIED IN THE UNITED NATIONS
CHARTER, RECOGNIZES THE COORDINATING ROLE AND GLOBAL
DEVELOPMENT RESPONSIBILITY OF THE UNITED NATIONS AND PRO-
VIDES FOR POSITIVE AND EFFECTIVE COOPERATION BETWEEN THE
TWO ORGANIZATIONS. THIS NOTE IS INTENDED TO EXPLAIN THE
FULL RATIONALE FOR THE PROPOSALS INCORPORATED IN THE DRAFT
RELATIONSHIP AGREEMENT, SINCE SOME POINTS MAY NOT BE
CLEAR FROM THE TEXT ITSELF.

4. THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
WILL BE THE FIRST INTERNATIONAL ORGANIZATION CREATED
PRIMARILY TO CONTRIBUTE TO A SOLUTION OF THE WORLD FOOD
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PROBLEM BY PROVIDING SUBSTANTIAL FINANCIAL RESOURCES
FOR INCREASING FOOD PRODUCTION, AND IMPROVING THE NUTRI-
TIONAL LEVEL OF THE POOREST POPULATIONS IN DEVELOPING
COUNTRIES AND THE CONDITIONS OF THEIR LIVES. THE AGREE-
MENT ESTABLISHING THE INTERNATIONAL FUND FOR AGRICULTURAL
DEVELOPMENT (THE FUND AGREEMENT) ADOPTED ON 13 JUNE 1976
(A/CONF.73/15) EMERGED AS A RESULT OF PROLONGED AND
DELICATE DISCUSSIONS AMONG THE THREE GROUPS OF PARTICI-

PATING STATES - THE DEVELOPED CONTRIBUTING COUNTRIES, THE DEVELOPING CONTRIBUTING COUNTRIES (OPEC) AND THE DEVELOPING RECIPIENT COUNTRIES. IT NOW REFLECTS THE COLLECTIVE POLITICAL COMMITMENT OF SOVEREIGN STATES, AND THE FUND'S RELATIONSHIPS WITH ALL BODIES, INCLUDING THE UNITED NATIONS, CANNOT DEVIATE IN ANY MAJOR RESPECT FROM THE INTENT AND CONTENT OF THE AGREEMENT.

5. THE SUCCESS OF THE FUND'S OPERATIONS AND THE PROSPECTS FOR THE PERIODIC REPLENISHMENT OF ITS RESOURCES WOULD LARGELY DEPEND ON THE CONTINUED MAINTENANCE OF THE DELICATE BALANCE OF INTERESTS AND OBJECTIVES WHICH THE FUND AGREEMENT HAS ATTEMPTED TO ACCOMMODATE. AS A LENDING INSTITUTION THE FUND WILL BE RESPONSIBLE FOR EVOLVING, MAINTAINING AND REVIEWING ITS OWN LENDING POLICIES AND CRITERIA AND RELATED POLICIES ON SUCH MATTERS AS TERMS AND CONDITIONS OF LOANS AND PROCUREMENT OF GOODS AND SERVICES UNDER ITS LOANS. TO CARRY OUT THE FUND'S ACTIVITIES, THERE WILL BE A NEED TO IDENTIFY, PREPARE AND APPRAISE PROJECTS AND SUPERVISE THEIR IMPLEMENTATION. AS A GENERAL RULE, TO PERFORM THESE FUNCTIONS, THE FUND WILL USE THE

SERVICES OF EXISTING INTERNATIONAL INSTITUTIONS OR, AS PROVIDED IN ARTICLE 7 OF THE FUND AGREEMENT, OTHER COMPETENT AGENCIES SPECIALIZED IN THIS FIELD.

6. THE FUND AGREEMENT SPECIFICALLY CALLS FOR CLOSE COOPERATION BETWEEN THE FUND, THE FOOD AND AGRICULTURE LIMITED OFFICIAL USE
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ORGANIZATION OF THE UNITED NATIONS AND OTHER ORGANIZATIONS OF THE UNITED NATIONS SYSTEM. IT ALSO PERMITS COOPERATION WITH OTHER INSTITUTIONS AND AGENCIES THAT MAY NOT BE PART OF THE UNITED NATIONS SYSTEM. BECAUSE OF THESE RELATIONSHIPS WITH OTHER INSTITUTIONS THE FUND'S OPERATIONAL MECHANISM WILL INVOLVE A GREATER DEGREE OF COMPLEXITY THAN IS THE CASE IN MOST OTHER SPECIALIZED AGENCIES. AS A SOURCE OF FUNDS FOR DEVELOPMENT LENDING, THE FUND WILL BE AN ORGANIZATION SIMILAR TO THE WORLD BANK AND ITS AFFILIATE, THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA). TAKING ALL THESE FACTORS INTO ACCOUNT, THE FUND AGREEMENT REFLECTS THE NEED FOR A DEGREE OF AUTONOMY IN ITS POLICY FORMULATION AND FINANCING OPERATIONS AND IN ITS RELATIONSHIPS WITH ITS OWN MEMBER COUNTRIES.

7. THE FUND'S AUTONOMY, WHILE NECESSARY FOR ITS OPERATIONAL EFFICIENCY, WILL NOT PREVENT IT FROM ACTIVELY COOPERATING WITH THE UNITED NATIONS. THE FUND AGREEMENT MANDATES THAT THE FUND SHOULD SEEK TO NEGOTIATE SPECIALIZED AGENCY STATUS, AS REFERRED TO IN ARTICLE 57 OF THE

UNITED NATIONS CHARTER. THE FUND THEREFORE WILL BE AN ACTIVE PARTNER WITH THE UNITED NATIONS IN CARRYING OUT GLOBAL POLICIES AND STRATEGIES FOR DEVELOPMENT. IN FACT, THE FUND, WITH ITS CAPACITY TO PROVIDE ADDITIONAL FINANCIAL RESOURCES TO DEVELOPING COUNTRIES IN COOPERATION WITH OTHER UNITED NATIONS BODIES INsofar AS THEY ARE DEALING WITH AGRICULTURE, WILL UNDOUBTEDLY BECOME AN IMPORTANT MEMBER OF THE UNITED NATIONS SYSTEM AND ELEVATE THE ROLE AND EFFECTIVENESS OF THE UNITED NATIONS IN THE FIELD OF AGRICULTURAL DEVELOPMENT.

8. THE FUND WILL HAVE A SMALL STAFF WHICH WILL SERVE ITS GOVERNING BODIES IN FORMULATING AND IMPLEMENTING ITS POLICIES AND OPERATIONAL GUIDELINES AND AT THE SAME TIME WORK CLOSELY WITH OTHER INTERNATIONAL, REGIONAL AND LIMITED OFFICIAL USE
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NATIONAL AGENCIES ENTRUSTED WITH OPERATIONAL FUNCTIONS ON BEHALF OF THE FUND. TO CARRY OUT SUCH A WIDE RANGE OF FUNCTIONS, THE FUND WILL REQUIRE A HIGHLY PROFESSIONAL AND COMPETENT STAFF AND A FUNCTIONAL ORGANIZATIONAL STRUCTURE.

9. PARAGRAPH 1(A) OF ARTICLE XII OF THE PROPOSED RELATIONSHIP AGREEMENT SPECIFIES THAT THE UNITED NATIONS AND THE FUND ARE TO AGREE "TO CONSULT TOGETHER, FROM TIME TO TIME, CONCERNING MATTERS OF MUTUAL INTEREST RELATING TO THE TERMS AND CONDITIONS OF EMPLOYMENT OF STAFF, WITH A VIEW TO SECURING AS MUCH UNIFORMITY IN THESE MATTERS AS MAY BE FEASIBLE". THEREFORE, TO THE MAXIMUM EXTENT POSSIBLE THE FUND WILL FOLLOW THE UN "COMMON SYSTEM" OF SALARIES, ALLOWANCES, AND OTHER CONDITIONS OF SERVICE, INCLUDING PARTICIPATION IN THE JOINT STAFF PENSION FUND, AND PROVIDE FOR THE INTERCHANGE OF STAFF WITH OTHER AGENCIES AS APPROPRIATE. HOWEVER, IN VIEW OF THE FUND'S ANTICIPATED STAFF ARRANGEMENTS AND ITS INTENTION TO WORK THROUGH ALREADY ESTABLISHED INSTITUTIONS, SOME FLEXIBILITY IN THE IMPLEMENTATION OF THESE POLICIES MAY BE NECESSARY FOR THE EFFECTIVE AND EFFICIENT FUNCTIONING OF THE FUND.

10. A RELATED QUESTION IS THAT OF THE BUDGETARY AND FINANCIAL RELATIONSHIP BETWEEN THE UNITED NATIONS AND THE FUND. THE FUND REGARDS THE CONTROL OVER ITS FINANCIAL AND BUDGETARY ARRANGEMENTS AS VITAL FOR ITS EFFECTIVE AND EFFICIENT FUNCTIONING, AND ITS SOURCES OF FINANCE ARE DIFFERENT FROM THOSE OF THE UNITED NATIONS. UNDER ARTICLE 6.10 OF THE FUND AGREEMENT, AUTHORITY TO APPROVE THE FUND'S ADMINISTRATIVE BUDGET LIES WITH THE GOVERNING COUNCIL OF THE FUND, AND UNDER ARTICLE 7.2(B), ALLOCATION OF THE FUND'S RESOURCES TO BE COMMITTED IN ANY FINANCIAL YEAR IS TO BE DETERMINED BY THE EXECUTIVE BOARD OF THE

FUND. END OF TEXT.
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QUOTE

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E.O. 11652: N/A

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WE BELIEVE PART OF THIS IS DUE TO UNFAMILIARITY IN NEW YORK WITH THE DETAILED DISCUSSIONS THAT HAVE TAKEN PLACE IN ROME OVER THE PAST TWO YEARS. DRAWING ON INFORMATION BELOW, ACTION ADDRESSES ARE REQUESTED TO IMMEDIATELY SEEK THE SUPPORT OF HOST COUNTRIES, WHO CONSTITUTE ECOSOC NEGOTIATING COMMITTEE, IN ORDER TO HEAD OFF SUBSTANTIVE CHANGES.

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2. IN RESPONSE TO THESE TWO RESOLUTIONS AND IN DISCHARGE OF THE MANDATE ENTRUSTED IN PARAGRAPH C.3(A) OF ITS STATUTE, THE PREPARATORY COMMISSION HAS PREPARED A DRAFT RELATIONSHIP AGREEMENT BETWEEN THE UNITED NATIONS AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT. IN ITS RESOLUTION 8(II), ADOPTED AT ITS SECOND SESSION HELD IN DECEMBER 1976, THE COMMISSION AUTHORIZED ITS CHAIRMAN TO TRANSMIT THE DRAFT AGREEMENT TO THE SECRETARY-GENERAL OF THE UNITED NATIONS FOR SUBMISSION TO THE COMMITTEE ON LIMITED OFFICIAL USE
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NEGOTIATIONS WITH INTERGOVERNMENTAL AGENCIES (E/5908). ANY RELATIONSHIP AGREEMENT THAT THE COMMISSION NEGOTIATES WITH THE COMMITTEE ON NEGOTIATIONS WILL REQUIRE THE APPROVAL OF THE GOVERNING COUNCIL OF THE FUND UPON THE RECOMMENDATION OF THE EXECUTIVE BOARD OF THE FUND.

3. THE COMMISSION'S MAIN CONCERN IN FORMULATING THE DRAFT RELATIONSHIP AGREEMENT HAS BEEN TO PROTECT THE PARAMETERS PRESCRIBED BY THE FUND AGREEMENT AND AT THE SAME TIME TO WORK OUT A BALANCED AND HARMONIOUS RELATIONSHIP BETWEEN THE TWO ORGANIZATIONS. THE DRAFT RELATIONSHIP AGREEMENT FULLY ENDORSES THE POLICIES EMBODIED IN THE UNITED NATIONS CHARTER, RECOGNIZES THE COORDINATING ROLE AND GLOBAL DEVELOPMENT RESPONSIBILITY OF THE UNITED NATIONS AND PROVIDES FOR POSITIVE AND EFFECTIVE COOPERATION BETWEEN THE TWO ORGANIZATIONS. THIS NOTE IS INTENDED TO EXPLAIN THE FULL RATIONALE FOR THE PROPOSALS INCORPORATED IN THE DRAFT RELATIONSHIP AGREEMENT, SINCE SOME POINTS MAY NOT BE CLEAR FROM THE TEXT ITSELF.

4. THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT WILL BE THE FIRST INTERNATIONAL ORGANIZATION CREATED PRIMARILY TO CONTRIBUTE TO A SOLUTION OF THE WORLD FOOD PROBLEM BY PROVIDING SUBSTANTIAL FINANCIAL RESOURCES FOR INCREASING FOOD PRODUCTION, AND IMPROVING THE NUTRITIONAL LEVEL OF THE POOREST POPULATIONS IN DEVELOPING COUNTRIES AND THE CONDITIONS OF THEIR LIVES. THE AGREEMENT ESTABLISHING THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (THE FUND AGREEMENT) ADOPTED ON 13 JUNE 1976 (A/CONF.73/15) EMERGED AS A RESULT OF PROLONGED AND DELICATE DISCUSSIONS AMONG THE THREE GROUPS OF PARTICIPATING STATES - THE DEVELOPED CONTRIBUTING COUNTRIES, THE DEVELOPING CONTRIBUTING COUNTRIES (OPEC) AND THE DEVELOPING RECIPIENT COUNTRIES. IT NOW REFLECTS THE COLLECTIVE POLITICAL COMMITMENT OF SOVEREIGN STATES, AND THE FUND'S RELATIONSHIPS WITH ALL BODIES, INCLUDING THE LIMITED OFFICIAL USE
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TIONS AND IN ITS RELATIONSHIPS WITH ITS OWN MEMBER COUNTRIES.

7. THE FUND'S AUTONOMY, WHILE NECESSARY FOR ITS OPERATIONAL EFFICIENCY, WILL NOT PREVENT IT FROM ACTIVELY COOPERATING WITH THE UNITED NATIONS. THE FUND AGREEMENT MANDATES THAT THE FUND SHOULD SEEK TO NEGOTIATE SPECIALIZED AGENCY STATUS, AS REFERRED TO IN ARTICLE 57 OF THE UNITED NATIONS CHARTER. THE FUND THEREFORE WILL BE AN ACTIVE PARTNER WITH THE UNITED NATIONS IN CARRYING OUT GLOBAL POLICIES AND STRATEGIES FOR DEVELOPMENT. IN FACT, THE FUND, WITH ITS CAPACITY TO PROVIDE ADDITIONAL FINAN-

CIAL RESOURCES TO DEVELOPING COUNTRIES IN COOPERATION WITH OTHER UNITED NATIONS BODIES INsofar AS THEY ARE DEALING WITH AGRICULTURE, WILL UNDOUBTEDLY BECOME AN IMPORTANT MEMBER OF THE UNITED NATIONS SYSTEM AND ELEVATE THE ROLE AND EFFECTIVENESS OF THE UNITED NATIONS IN THE FIELD OF AGRICULTURAL DEVELOPMENT.

8. THE FUND WILL HAVE A SMALL STAFF WHICH WILL SERVE ITS GOVERNING BODIES IN FORMULATING AND IMPLEMENTING ITS POLICIES AND OPERATIONAL GUIDELINES AND AT THE SAME TIME WORK CLOSELY WITH OTHER INTERNATIONAL, REGIONAL AND NATIONAL AGENCIES ENTRUSTED WITH OPERATIONAL FUNCTIONS ON BEHALF OF THE FUND. TO CARRY OUT SUCH A WIDE RANGE OF FUNCTIONS, THE FUND WILL REQUIRE A HIGHLY PROFESSIONAL AND COMPETENT STAFF AND A FUNCTIONAL ORGANIZATIONAL STRUCTURE.

9. PARAGRAPH 1(A) OF ARTICLE XII OF THE PROPOSED RELATIONSHIP AGREEMENT SPECIFIES THAT THE UNITED NATIONS AND THE FUND ARE TO AGREE "TO CONSULT TOGETHER, FROM TIME TO TIME, CONCERNING MATTERS OF MUTUAL INTEREST RELATING TO THE TERMS AND CONDITIONS OF EMPLOYMENT OF STAFF, WITH A VIEW TO SECURING AS MUCH UNIFORMITY IN THESE MATTERS AS MAY BE FEASIBLE". THEREFORE, TO THE MAXIMUM EXTENT POSSIBLE
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THE FUND WILL FOLLOW THE UN "COMMON SYSTEM" OF SALARIES, ALLOWANCES, AND OTHER CONDITIONS OF SERVICE, INCLUDING PARTICIPATION IN THE JOINT STAFF PENSION FUND, AND PROVIDE FOR THE INTERCHANGE OF STAFF WITH OTHER AGENCIES AS APPROPRIATE. HOWEVER, IN VIEW OF THE FUND'S ANTICIPATED STAFF ARRANGEMENTS AND ITS INTENTION TO WORK THROUGH ALREADY ESTABLISHED INSTITUTIONS, SOME FLEXIBILITY IN THE IMPLEMENTATION OF THESE POLICIES MAY BE NECESSARY FOR THE EFFECTIVE AND EFFICIENT FUNCTIONING OF THE FUND.

10. A RELATED QUESTION IS THAT OF THE BUDGETARY AND FINANCIAL RELATIONSHIP BETWEEN THE UNITED NATIONS AND THE FUND. THE FUND REGARDS THE CONTROL OVER ITS FINANCIAL AND BUDGETARY ARRANGEMENTS AS VITAL FOR ITS EFFECTIVE AND EFFICIENT FUNCTIONING, AND ITS SOURCES OF FINANCE ARE DIFFERENT FROM THOSE OF THE UNITED NATIONS. UNDER ARTICLE 6.10 OF THE FUND AGREEMENT, AUTHORITY TO APPROVE THE FUND'S ADMINISTRATIVE BUDGET LIES WITH THE GOVERNING COUNCIL OF THE FUND, AND UNDER ARTICLE 7.2(B), ALLOCATION OF THE FUND'S RESOURCES TO BE COMMITTED IN ANY FINANCIAL YEAR IS TO BE DETERMINED BY THE EXECUTIVE BOARD OF THE FUND. END OF TEXT.
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